

Executive Summary

This landmark study of Maryland's military installations, produced with the cooperation of and input from 17 major facilities, provides a comprehensive assessment of their economic impact on the state.

Using federal fiscal year 2008 data, this analysis found that Maryland's military installations have an economic impact of nearly \$36 billion on the state's economy, 7.5% of the state's total economic activity. Military commands and other tenant organizations on the installations employ 118,022 people – 45% civilian and 22% active duty military – 3.4% of Maryland's workforce. Nine out of 10 employees live in Maryland, earning just over \$9 billion.

This analysis found that installations create or support 268,029 jobs and an estimated \$17.1 billion in compensation. Factoring in spouses and children of employees on the military facilities and in companies doing business with the commands, the military's impact reverberates throughout the state's communities, schools, restaurants, retailers and businesses.

Considering in-state payrolls, purchases and visitor spending, the installations directly spend \$15.7 billion in Maryland.

Finally, the economic impact for Maryland companies is significant. In 2008, nearly \$7 billion of goods and services were purchased from businesses in the state. These purchases ripple through the business community, generating an additional \$9 billion in indirect spending by suppliers and visitors.

How this research was conducted

DBED retained the Jacob France Institute of the Merrick School of Business at the University of Baltimore (JFI) to analyze the economic impact of Maryland's 17 military installations. The JFI developed a standardized data collection form. The Department's Office of Military and Federal Affairs staff and military officials collected the data, which was analyzed by the JFI using the IMPLAN economic model. Several installations, including Naval Air Station Patuxent River, were unable to report total procurement and two bases reported no procurement. Not all bases reported in-state purchases. Medical expenditures are excluded to avoid double counting. Visitor and visitor spending data were available for only seven of the 17 installations. As a result, these figures are conservative.

The Jacob France Institute

JFI manages and participates in research alliances that lead to further discovery of new information shaping business and government policy decisions. The Institute serves as a leading source of statistical information and research on business, worker and government interactions and employment, education and training trends.

Maryland Department of Business & Economic Development

DBED stimulates private investment and creates jobs by attracting new businesses, encouraging the expansion and retention of existing companies, and providing workforce training and financial assistance. The Department promotes the state's economic advantages and markets local products and services at home and abroad.

Maryland Department of Labor, Licensing & Regulation

DLLR protects and empowers Marylanders by safeguarding workers, protecting consumers, providing a safety net and cultivating a thriving workforce that can meet the demands of Maryland's dynamic economy.

Acknowledgments

The state would like to thank each of the military facilities and their mission partners who contributed to the report. We recognize the tremendous time and effort that was extended to produce this report.

For the full study, visit www.ChooseMaryland.org

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Department of Business & Economic Development

Martin O'Malley, Governor | Anthony G. Brown, Lt. Governor

MISSION MARYLAND:

Measuring Economic Impact of Maryland's Military Installations

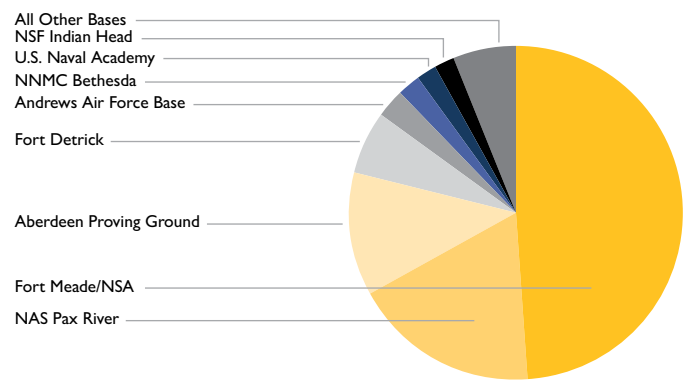
Introduction

We have long acknowledged and appreciated the important role the military installations and facilities play in the defense of the nation. Now we have quantified the significant impact – nearly \$36 billion – the commands, employees and contractors have on the state's economy.

Maryland has historically played a significant and strategic role in the country's military history. During the War of 1812 a British attack on Baltimore was thwarted by U.S. troops, helping to preserve the fledgling nation. Antietam was the site of a turning point in the Civil War as Union General George B. McClellan turned back Confederate General Robert E. Lee's invasion. During World War II, each branch of the military trained thousands of personnel on Maryland's military installations for service in both the European and Pacific Theaters, and state factories produced military aircraft, Liberty ships, jeeps, weapons and artillery to support the war effort.

Maryland's military installations are built on a strong and storied past. Today these centers of homeland security and defense are also hotbeds of research and development, bioscience, technology innovation and cybersecurity. With the U.S. Cyber Command at Fort Meade and the Base Realignment and Closure relocation of military commands to the state, Maryland's military installations will play an even greater role in protecting the nation's physical and digital infrastructure, developing cutting-edge technology to support the missions of the military commands and providing world-class medical care for those who serve.

Maryland's military installations contribute \$36 billion to the economy, 7.5% of the state's total economic activity.



Home to the U.S. Naval Test Pilot School and Naval Air Systems Command, NAS Patuxent River is a center for naval aviation including research, testing, development and evaluation.

Maryland's military installations pay nearly \$10 billion in compensation.

Payroll	Total
Fort George G. Meade/NSA	\$5,640.7
Naval Air Station Patuxent River	\$883.4
Aberdeen Proving Ground	\$698.6
Fort Detrick	\$302.6
Joint Base Andrews	\$406.1
National Naval Medical Center	\$357.2
U.S. Naval Academy	\$236.0
Naval Support Facility Indian Head	\$186.3
Maryland National Guard	\$166.3
National Maritime Intelligence Center	\$203.6
Other installations	\$728.5
Total	\$9,809.3

- Counting military and civilian jobs on the installations, as well as indirect and induced jobs, the military facilities generate 268,028 jobs and more than \$17 billion in employee compensation.
- Nine out of 10 employees on military payroll live in Maryland, earning \$9 billion and contributing to \$1.2 billion in state and local government revenues generated by the bases.

Economic Impact	Direct	Indirect	Induced	Total
Fort George G. Meade/NSA	\$8,104.7	\$3,527.3	\$6,183.7	\$17,815.7
Naval Air Station Patuxent River	2,591.5	2,443.5	1,542.5	6,577.5
Aberdeen Proving Ground	1,750.1	1,564.4	966.8	4,281.3
Fort Detrick	686.0	589.2	416.4	1,691.6
Joint Base Andrews	485.7	170.3	367.0	1,023.0
National Naval Medical Center	401.5	92.2	312.3	806.0
U.S. Naval Academy	319.9	125.6	232.0	677.5
Naval Support Facility Indian Head	254.8	125.0	168.9	548.7
Maryland National Guard	212.5	64.2	154.5	431.2
National Maritime Intelligence Center	200.4	38.9	163.6	402.9
Other installations	669.3	\$252.9	\$514.2	\$1,436.4
Total	\$15,676.4	\$8,993.5	\$11,021.9	\$35,691.8

Fort Detrick's campus includes all branches of the military, as well as many federal agencies conducting biomedical research and development, medical materiel management, global medical communications, and the study of foreign pathogens.

Maryland's military installations employ 118,022 people, 3% of the state's workforce.

Civilian & Military Employees	Direct	Indirect	Induced	Total
Fort George G. Meade/NSA	48,389	26,440	50,900	125,729
Naval Air Station Patuxent River	10,965	17,829	12,392	41,185
Aberdeen Proving Ground	11,096	9,990	7,910	28,995
Fort Detrick	4,349	4,204	3,380	11,933
Joint Base Andrews	8,057	1,454	2,994	12,505
National Naval Medical Center	8,108	589	2,518	11,215
U.S. Naval Academy	6,147	850	1,889	8,886
Naval Support Facility Indian Head	2,918	879	1,368	5,165
Maryland National Guard*	2,156	457	1,237	3,850
National Maritime Intelligence Center	1,724	270	1,349	3,343
Other installations	9,072	1,931	4,217	15,221
Total	112,981	64,893	90,154	268,028

* Excludes 5,041 reserve members of the Maryland National Guard, who are assumed to have other employment.

Aberdeen Proving Ground welcomes Army Team C4ISR, servicing the Army's air defense, intelligence, tactical radios, satellite communications and Warfighter Information Network.

Other Installations include: Army Corps of Engineers – Baltimore District; Army Research Laboratory; Maryland National Guard,; National Geospatial Agency; National Maritime Intelligence Center; Naval Research Laboratory – Chesapeake Bay Detachment; Naval Surface Warfare Center, Carderock Division; U.S. Coast Guard Yard; Walter Reed Army Medical Center – Forest Glen Annex

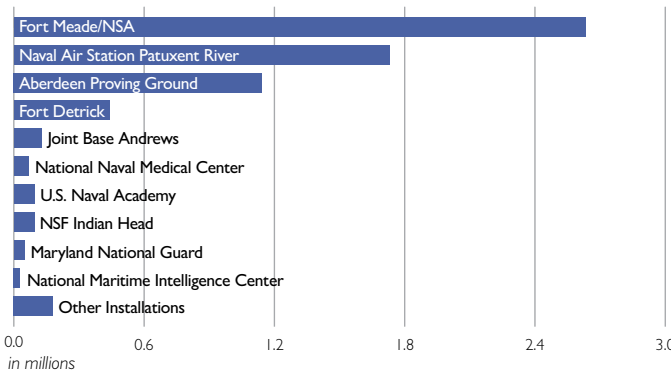
- Including the National Security Agency, Fort Meade comprises half the total economic impact of Maryland's military installations (49.9%).
- The diversity of the military facilities is evident in the four bases – Fort Meade, Naval Air Station Patuxent River, Aberdeen Proving Ground and Fort Detrick – that account for 85% of the installations' total economic impact.

In 2011, the Walter Reed National Military Medical Center will offer a full array of medical services including the National Intrepid Center of Excellence for traumatic brain injuries.

- Fort Meade, Aberdeen Proving Ground, Naval Air Station Patuxent River and Joint Base Andrews rank among the top 25 employers in Maryland.
- With 48,389 employees, Fort Meade is the largest employer in the state.
- Aberdeen Proving Ground's 11,096 employees comprise 8.5% of Harford County's workforce.
- With 4,349 employees, Fort Detrick is the largest employer in Frederick County.

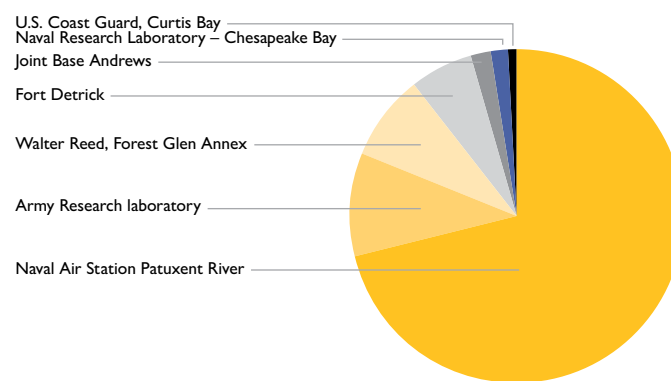
Fort Meade will house the Defense Information Systems Agency and the U.S. Cyber Command in addition to NSA, giving the fort a distinct information technology and cybersecurity focus.

Maryland's military installations purchase \$6.6 billion in goods and services from state companies.



- Seventeen installations generate \$15.7 billion in direct spending in Maryland through purchases of goods and services, visitor spending and payroll.

Maryland's military installations attract thousands of visitors each year, spending more than \$41 million in the state.



- Visitors to seven bases spent more than \$41 million.
- Two of the three installations with the greatest overall economic impact – Fort Meade and Aberdeen Proving Ground – did not report visitor spending.